



**CITY OF SCOTTSDALE
MCDOWELL SONORAN PRESERVE COMMISSION
REGULAR MEETING MINUTES
Thursday, September 7, 2017
City Hall Kiva Forum
3939 Drinkwater Boulevard
Scottsdale, AZ 85251**

PRESENT: Chairperson Bob Frost, Vice-Chair Mike Milillo, Commissioners Bobby Alpert, Steve Dodd, Con Englehorn, Jace McKeighan, and Cynthia Wenstrom

STAFF: Bill Murphy, Kroy Ekblaw, Jeff Nichols, Joe Padilla, and Erin Walsh

1. CALL TO ORDER

Chair Frost called the meeting to order at 5:00 p.m.

2. ROLL CALL

Members present as noted above.

Commission members observed a moment of silence.

3. PUBLIC COMMENT

There were no members of the public who wished to speak at this time.

4. APPROVAL OF MINUTES

Approval of the Regular Meeting minutes

- June 1, 2017 - **COMMISSSIONER WENSTROM MOVED TO APPROVE THE JUNE 1, 2017 MCDOWELL SONORAN PRESERVE COMMISSION MEETING MINUTES. COMMISSIONER MILILLO SECONDED THE MOTION, WHICH CARRIED BY A VOTE OF SEVEN (7) TO ZERO (0).**
- August 10, 2017 - **COMMISSIONER ALPERT MOVED TO APPROVE THE AUGUST 10, 2017 MCDOWELL SONORAN PRESERVE COMMISSION MEETING MINUTES. COMMISSIONER MCKEIGHAN SECONDED THE MOTION, WHICH CARRIED A VOTE OF SEVEN (7) TO ZERO (0).**

5. MCDOWELL SONORAN CONSERVANCY UPDATE

MR. PAUL STAKER: Thank you. This is a little larger group than I'm used to speaking to when I'm here. Actually, the last time I was with this group, I had just started as the interim executive director, replacing Mike Nolan. I did not anticipate at that point in time that I would still be here playing this role for the Conservancy right now, but we are still working on trying to find a permanent replacement, so I am here speaking for the Conservancy today. In addition to the staff issue associated with the executive director, during the summer, we did have another situation. Our long-term Field Institute manager, Melanie Tluczek, left the organization after about five years. She went to work at a small conservancy down in Safford, Arizona. We wish her well there. We had a very successful replacement program. We had over 30 qualified applicants who were very interested in what we are doing. It shows the growth of the Field Institute over time. And after that process, we chose Tiffany Sprague, who has now started with us. Tiffany comes to us from the Sierra Club where she's spent the last ten years.

As you probably know, during the summer we aren't nearly as busy as we are during the rest of the year, but we were not idle during the summer. We had our normal July 4th fire watch. The good news is no news - that went very well, no incidents associated with that.

Our Sonoran Silver exhibit, which we had displayed at Brown's Ranch for our 25th Anniversary, is now down at the Arizona Heritage Society building. So we're happy to have it down there. And we continue to have a full slate of lectures, both Pathfinder and general lectures during the summer.

It's getting now, after Labor Day, to be our busy time of the year. Everything is starting to heat up. We have our first Steward orientation coming up this Saturday. It, as usual, is sold out. We have our fall Steward kick-off coming up next week and, slowly, during the next couple of months, we will be starting up all of our steward activities starting with our Pathfinder program mid-month of September.

So that's about where we are right now. I'd be happy to entertain any questions.

CHAIR FROST: Commissioners have any questions of Mr. Staker? (None) Thank you very much.

7. FINANCIAL REPORT AND ENDOWMENT UPDATE

CHAIR FROST: As Chair, I'm going to use my prerogative to adjust the agenda just a little bit. I'm going to move item 7 up in front of number 6, so now we'll have the financial report and the endowment update by the City Treasurer and Preserve staff, Kroy.

MR. KROY EKBLAW: Thank you, Mr. Chairman. On the screen in front of you for the audience is the updated projections. We're handing out to you both this page and on the back side of this page is the updated - or the projection we had a year ago just so you have that for comparison. And in working with the Treasurer's Office, they have provided updates on the numbers based upon tax revenue, debt service, payouts, all projected through 2034.

And so the line at the top, if we were to do no other land acquisitions or improvements, the projection of today would be that in 2034 there would be \$126 million in cash in the Preserve tax. Based upon, then, the next line, identifying current projections for planned land acquisition improvements, this is an item that we're going to be coming back to you at the next meeting to review with you improvements in particular. So you see a range here of 20 to \$33 million. That will be a discussion. Many of the things were there last year, but we have with some of the fire

considerations that we experienced this spring and some other alternatives, wanted to at least give you awareness of possible projects. It's by no means that we have to add or increase that number to the high end of this range. In fact, it could go below this range.

A big change from last year's numbers is that line above number one, the planned land acquisitions. It's down to 1 million. Last year it was at \$48 million and that's because, obviously, we were successful in acquiring parcels 1 and 1a and we acquired one of the two last remaining - two of the last three remaining private parcels last year. There is one remaining private parcel that we'll be looking to acquire and that's why we have a little bit of money left identified for that.

So at your next meeting, we will review that range and we can narrow that down, but even with that, that range of 21 to 34 million would mean that there would be roughly \$92 to \$105 million available in cash available at 2034. That's not cash available today. We could bond against that number if we so desired, but it's not fully cash that's available today.

Then just for the comparison's sake, the lower two-thirds of this contains the example that we used last year for the endowment concept, predominantly for maintenance and operations of the Preserve, and as well as the research education idea. Those were projected at \$34 million and \$4 million.

We will be back to talk to you in more detail, again, at your next meeting, because the assumptions that are in there as far as estimating a three percent (3%) return on dollars put aside, there are challenges. Those numbers are not absolutes. They were estimates at that time.

Our current City Treasurer has identified that our current percentage on investments is running about 1.2%, roughly 1.2%, so we need to chat with you about that. And, again, this was an example only and we will have a further discussion on that.

I will just point out, speaking of next meeting, we did do a polling of you and we are sending out notice that our next meeting in order to handle tonight's agenda, will be on Thursday, September 28, 2017. It will be at 5:00 p.m. at our regular location up at La Mirada, the Florence Ely Nelson Center. But we will send you all that information and have agendas out soon on that.

So with the numbers there, if you were to include what we had identified as the endowment concept, there would still be a \$55 to \$67 million availability of cash at the end of 2034.

In order to do the endowment concept as we discussed last year, would require a public vote, and we would be coming back to you and talking about the details and nuances required of taking back a tax for a public vote as well. So we will have discussions about that. That was all directed by the Council to bring back to them and we'll be visiting with you about that. Again, we will have that at your September 28th meeting.

So that's the update that you had requested from the August 10th joint study session. If there is any questions for the treasurer, Jeff Nichols, who is here and myself, we'd be happy to answer any questions that you might have.

CHAIR FROST: Commissioners have any questions regarding the current funding of the Preserve tax?

VICE-CHAIR MIKE MILILLO: Yes, I just have a question. I don't see it up on the slide, but on the sheet that you handed out, would you explain again, because it's been some time since

we've had the different options for the endowment, the \$82 million remaining uncommitted cash if there was early bond payoff?

MR. EKBLAW: Again, that's on last year's projections and that was at the request of Council that your current - this column here compares to the column that I circled on that page that says \$178 million at the top.

VICE-CHAIR MILILLO: Okay.

MR. EKBLAW: That whole column, those would be the comparables. The early bond payoff was a request of Councilwoman Milhaven that if bonds were available to be called and paid off early, what would be the impact of that? So that's the blue column, and then the green column was at the request of Councilman Smith should there be an adjustment to the sales tax to remove food from being taxed on that. But this is simply based on our current projections. Neither of those items have occurred as far as options, and so for simplicity's sake, we just wanted to be able to present to you as things stand today where the projections are for 2034. So that's what's on this slide and the page before you.

VICE-CHAIR MILILLO: Thanks for the clarification.

CHAIR FROST: Other questions regarding the Preserve tax? Yes, the Preserve tax. I have a question, Kroy. Approximately how much money a year from this tax comes into this account? Is that Treasurer Nichols? He's asking for some help.

MR. JEFF NICHOLS: Yes, Chair Frost, the amount I'm hearing is approximately \$24 to \$25 million. A good rule of thumb is for every tenth of one percent, the sales tax generates about \$10 million. We have about .35%, so it could be as high as \$35 million per year. It just depends. The TPT, the sales tax, does not apply to all the categories that the one percent sales tax applies. So there's some variations, but it's in the neighborhood of probably \$25 to \$30 million per year.

CHAIR FROST: And then of that money, we use that money to pay down the bonds; is that correct?

MR. NICHOLS: That's correct, Chair.

CHAIR FROST: And how much of that \$24 million a year goes towards paying down those bonds at this time?

MR. NICHOLS: I don't have those figures with me right now, the annual debt service on that, but I can provide those to the Commission.

CHAIR FROST: Okay.

MR. NICHOLS: Electronically, if you would like.

CHAIR FROST: Okay, thank you - that would be a good number to know. Thank you.

Commissioners have any other questions regarding the endowment program?

In the bank right now, how much cash is there?

MR. NICHOLS: Chair Frost, there's approximately \$26 million as of June 30th, 2017.

6. DESERT DISCOVERY CENTER

CHAIR FROST: All right, then, moving on then to item six on the agenda, Desert Discovery Center. What we're going to do to handle this item is to first have a presentation by the staff and the DDCS, Desert Discovery Consultants and their firm, give them about 15 minutes and then we have several requests to speak, which will be on a time limit, then the Commission will address the issue. I have a list of all the items that are shown in the – or most of the items that are shown in the huge EDGE presentation and we'll go down each of those items, Commissioners, and get your concerns, ideas, or questions out at that time. So if we can begin first, Mr. Ekblaw.

MR. EKBLAW: Thank you, again, Chairman, Members of the Commission. I'm going to turn this presentation over to one of the city consultants. And just to be clear, the DDCS and Vern Swabach Associates are both working for the City of Scottsdale through contracts that went through RFP processes that they competed for and secured. And the DDCS's Christine Kovach will be doing the presentation from the board this evening. And I did want to clarify that both contracts identified the Gateway as the location to study and that January of 2016, the City Council, amongst other things did initiate the municipal use master site plan process, which was to amend the approval that had occurred in 2007 that had identified a different location and scale of DDC, but, nonetheless, had identified that at the Gateway location. And so the Council did initiate that, and that is part of the overall process that is pursuing, that some of that is going through the Development Review Board, the Planning Commission. All of the comments from yourselves, the other boards and commissions, the Tourism Development, will end up before the City Council. They will have a study session on September 26th. They will not take action, but they can give direction to staff as to next steps.

So your comments, your feelings tonight, will be forwarded to the Council for that.

So with that, I'm happy to introduce Christine Kovach.

CHAIR FROST: Mrs. Kovach. It looks like we have a five-minute video scheduled. (Played Video)

CHRISTINE KOVACH: Hello, Commissioners. I am Christine Kovach, chair of the McDowell – chair of the Desert Discovery Center Scottsdale.

After 18 months of talking with the community, one thing is clear: People that have been in it, love the McDowell Sonoran Preserve. As a board member of the Conservancy for 18 years, a Preserve commissioner for nine years, a legacy steward, and the donor of two ADA trails in the Preserve, I know how hard we worked in the beginning to create and establish the Preserve. So that is so heartening to hear. The Preserve was designed to create appropriate access for Scottsdale's residents and visitors, and when it comes to hiking and biking, it has certainly done that. But access was also meant to extend intellect and to support tourism, giving people the opportunity to see and experience more than they could on a single hike, if they are able to hike in the Preserve at all.

So you've seen the presentation, you've seen the business plan, the experience plans, so I'm just going to touch on a couple highlights and answer some questions that we've heard. So you've seen sort of all of this. So in our planning, we stayed focused on meeting the management objectives and purposes of the Preserve. So remember, this was envisioned and studied as part of the Preserve before the ordinance was adopted and continued to be studied after by outside consultants hired by the city, as well as by this commission and committees. The access area report, which was recommended by this commission and approved by the

council in 2011, identifies only one Gateway and only one location to include a facility like the Desert EDGE and does not support additional centers at other locations in the Preserve. Nor does this project promote any kind of commercial development in the Preserve, and we would be happy to state that.

So visioning documents, such things as early as the 1993 report and even the access area design standards, restates this as the only location, so rest assured that by implementing this plan does not set a precedent.

In 2006, the McDowell Sonoran Preserve Commission Planning and Promotion subcommittees chaired by Carla and Solange Whitehead came back to the commission with their findings, and the commission agreed that the Preserve and the DDC missions were consistent and compatible with each other. Carla and Solange's subcommittees report said, quote, "There is consensus that the concept of the Desert Discovery Center is good and that its location is appropriate in the Preserve." So there is no conflict or violation of the Preserve Ordinance as evidenced by the approval of that statement by the Commission made six years after the ordinance was approved. As well the use was approved in the 2007 Municipal Use Master Site Plan by the Council and there was no opposition expressed at the time of that approval. And last, remember that the current underlying zoning and the General Plan do not allow commercial projects in the Preserve. The Desert EDGE is not a commercial project and does not open the door to allow them.

So to the Preserve boundary, of course it was designed to hold all of the anticipated uses within its boundary to avoid things like parking in neighborhoods. Access areas were intentionally located at the edge near development and only one access area was identified for a nature interpretive center. The Gateway is surrounded by residential and commercial development on three sides and the DDC was a big part of the argument during the five-year condemnation court hearing to purchase the Gateway.

The Preserve is 30,580 acres. The Desert EDGE is 5.34. This does not affect any other trailhead. Our land, as you saw in the video, is quite vast. This project will also not destroy the Preserve as you will hear some claim.

So we listened to people who didn't like where it was, because it would be visible when you pulled in the main entrance to the Gateway. This was a specific concern when we met with Howard Myers and we took it seriously, so we moved it to a more hidden location tucked behind the existing maintenance shed, not visible when you pull in the main entrance and not detracting from the current Gateway experience. The biggest disturbance in the Preserve is parking lots. In fact, Council just approved the expanding of two more parking lots in the Preserve without any opposition to what would be bulldozing Preserve land. So let's talk about parking. The parking plan was approved in 2007. The existing approved parking lot loop will not be enlarged. The approved stalls will be completed and there will be some reconfiguring of the equestrian area and repainting of parking lines. We do not want to, nor do we plan to enlarge the parking footprint and we would also be happy to state that.

So you've seen the experiences, you know the project layout, so I am not going to walk you through all of these buildings, but I do want to remind you that the entrance to the Desert EDGE is where the planned exhibit to share the story of the Preserve – and I also want to let you know that we are not just giving ASU a building. We invited ASU to be part of the Desert EDGE experience to raise the bar on the depth and breadth of the project. Besides doing cutting-edge research on desert lands, scientists will interact with guests and engage them in their research. What an amazing way to make STEM relevant and applicable to children, this, the Global Drylands Institute, headed by Dr. Osvaldo Sala, who is here tonight. Even the opposition called

this the neatest aspect of the project, again being very inclusive of other conservation partners on research projects.

Okay, so anyway, you know the EDGE – you know these things pretty much by the numbers. The EDGE will be .17 percent of the Preserve and this off-Preserve site will be planned separately as directed by city staff and may include space for conservation partners if desired. So we listened and insisted on a smaller facility, while expanding the vision. We are excited about the reach the programming at the Desert EDGE will have with children and working with existing conservation organizations on education. There will be new technologies that are available in light and noise control, so we will exceed the city standards as well as be quieter than much of what you can hear now in the area.

We really feel strongly about the visual – the minimal visual impact. So at 20 feet lower than the previous location, the visual impact is barely noticeable from McDowell Mountain Ranch and certainly the existing trailhead from the entrance to Windgate Ranch is the most visible thing that you see in the Preserve. This was all intentional and responsive to concerns that we heard.

So a traffic light has been planned for when the Gateway was built and currently plumbing is in place. It is all part of the approved use. So we will be using technology to control parking and traffic control methods along with the signage.

So you've also seen these numbers at the work study, so I just want to remind you that the private sector fundraising requirement is 10 percent of capital cost and there is no plan for new taxes and no increase to existing taxes. And we have stated before that we are in support of an endowment or a long-term care mechanism for the Preserve and feel there's capacity for it all.

The hours – well, okay, now we'll go to the building. So a little bit about the building. So just remember this is going to be an example of how living in the desert can be done well. This is an energy producer, rain collector, LEED standard, and will put into practice those things that we have learned from nature that we can do better.

So we have also talked a little bit about the operating plan. This is just a reminder that the Desert EDGE's operations are consistent with other facilities like the zoo and the Arizona museum, the Arizona Sonoran Desert Museum, and that Preserve tax can never be used for operations. Hours - 9:00 to 5:00.

So I'm not going to read this slide to you, but remind you that the importance of allowing the Desert EDGE to impact people who might not be able to get there between 9:00 and 5:00, that we want to provide wide range of diverse programming for a wide range of possible users and that continues to fulfill the mission of the Desert EDGE. So this is also where our preservation and conservation partners would include many aspects of volunteers, education, and research.

So again to reiterate, the restrictions are no more than 60 programs after hours. So keep in mind, the Desert EDGE is 9:00 to 5:00 and the Preserve is open sunrise to sunset, so we're simply talking about the hours between sunset and everything will be out at 9:00. And, depending on the time of year, that could be as short as 30 minutes. Visitors would not have access to the Preserve and must park offsite and be shuttled. Note that the Windgate Ranch has an 11:00 p.m. end time for their nighttime events and even the Vig and the Temple Bar are open much later. So we will even be more restrictive and still be able to expose people to the purpose of the Desert EDGE.

So the café and store are designed as guest services and the store would include items from our conservation partners should they desire. Field guides, flower guides, and of course, you know, typical things like maybe sunscreen.

But also I need to remind you that the operational guidelines would be stipulated in the operational agreement and reviewed annually. So this is an excellent way to review compliance, revisit restrictions, make adjustments, and would include input from this commission. We would anticipate that this commission would receive regular reports, provide input, and be included as much within your purview as a recommending body for the Preserve. And, certainly, I don't need to go through all these restrictions, but these are all the things that we also think are very important. Particularly, there is no jeep tours and there are no weddings.

The Desert EDGE has evolved due to citizen input and is a better project because of it. It is smaller, less expensive, the parking loop will not be enlarged, it's 20 feet lower, a shuttle service will be utilized, there's no access to the Preserve after dark, at sunset, it meets the management objectives and purpose of the Preserve, no new taxes are being proposed, and the current Gateway Trailhead experience will not be impacted. Thank you.

CHAIR FROST: Thank you very much. Commissioners, understanding that I'm going to go through every one, almost every one, of these items and give you a chance to ask questions specifically on each of those at that time, any commissioners have any specific questions right now of Ms. Kovach? (None) Okay, thank you. Now, we're going to go to citizen comment cards.

Mr. Jason Alexander has collected a number of people that are giving up their three minutes so that he may speak. Jason, we're going to give you 15 minutes as well. Thank you.

MR. ALEXANDER: Jason Alexander, 9976 East Jasmine Drive. Thank you, Commissioner Frost, for letting me amalgamate all our cards into a speaking portion.

The 2004 ballot initiative that funded the majority of the Preserve land purchase says absolutely nothing about construction. Ms. Kovach, Ms. Korte, Councilwoman Korte, both have statements in that ballot packet and they say over and over again land purchases only. The citizens, when they voted in favor of that ballot initiative, based on research of comments in newspapers and local articles in the Republic and other journals, it's very clear that they had absolutely no idea they were purchasing anything other than land. This is going to be the basis of one of our lawsuits against the city.

So how did we get from 2004 when we thought we were purchasing land to this giant thing we have today? It is true that there has always been some discussion of a Desert Discovery Center. It has always been thought of as a small interpretive center. John Sather from DDSC comes right out and says in their business plan that the concept evolved from a small interpretive center to a large global institution. That happened starting in about 2008. There was a study committee. Participating in it were Melinda Gulick, was Linda Milhaven, were Virginia Korte and they, along with some of the same people who currently serve on DDSC's board, Ms. Kovach, Mike Surguine of the Sanctuary Resort, and others, came up with the idea of a large tourist event center and they ran with it. And, you know what, back then when the Preserve was really hitting its stride, when we were at the height of the economy that might not have been a bad idea worth exploring. I mean, hey, there's nothing wrong with exploring good ideas.

In 2010, they spent a million dollars, the City that is, spent a million dollars to fund a study, \$500,000 of that went to John Sather from Swaback Partners. He drew sketches and buildings that were very similar to what he's drawn today.

Another \$500,000 of that went to BRC Imagination Arts in Burbank, California. They do very much the same thing that Thinc Design does today. So while it certainly wasn't the same project, conceptually, scope, it was the same idea, a large tourist event center. That went nowhere because the members of that study committee, with feedback from City Council, realized that the citizens did not want it. They would have to go to a bond to pay for that and they knew that it was not an essential project and the citizens would vote it down. They tried again in 2011 and they tried again in 2012. Same people, different studies through this commission, through the Tourism Development Commission, and again and again they realized people don't want to pay for this. We are bound by a bond. We cannot use the Preserve funds. So the idea was largely tabled.

In 2013, the same people who are on the board of DDCS today formed the Desert Discovery Center advocates group, a private group looking to start up a business. You know what, I work in software development. I've worked for plenty of startups. I have no problem with that. The difference is they wanted to get a hold of the Preserve fund to pay for their idea. So how did they go about doing that?

In 2015, DDCS's attorney, Lynne Lagarde, concocted a theory that because the Preserve Ordinance has a clause for a special use permit, anything that the Preserve Director deemed a special use and that fit with the education mission could now be a municipal use. So poof, everything that was prohibited, alcohol, nighttime, activities, concerts, all that suddenly became municipal use under this legal theory. DDCS's own board member Dan Gruber said in an email we received through public records request, municipal use amounts to a permanent permit to engage in activities like music, food, alcohol, after sunset operations. They know exactly what they're doing. They know exactly what this change to the ordinance entails.

So now thinking that they have access to funding and access to being able to do the activities in this large tourist event center, DDCS worked with city staff. According to our records and according to records we got from the city's public records request, we believe we have evidence that some criminal activity occurred here in terms of collusion to obtain a city contract.

They worked directly with city staff to generate their own RFQ. They worked closely with city managers to have code words in certain meetings that would mean that Council would go ahead and approve this. They even had in one email referring to their friends on City Council. We are going to work with our legal team to get this in front of an attorney general, because we believe this should shut the entire project down.

Now, finally, DDCS likes to say we're just city contractors, we're just humble servants doing what Council orders. And, frankly, I think that is really selling Campana and Sather and their whole team short, because, as I've said, I've read thousands and thousands of public records and over and over again in their emails I see them being very aggressive, very assertive, and very creative in responding to challenges to these projects. I think it is disrespectful to say that they are just city contractors. These folks are drivers. They are driving this project and this is not a study. This is a startup. They are the CEOs behind it.

So, look, I've said some pretty bold things. I've said some things that are pretty controversial, but for just a moment let's put it all aside. Let's put that all aside and let's look strictly at the business plan. This business plan is a dog. It is going to fail and it is going to cost the city millions of dollars per year. Let's start with their estimate for visitors, 300,000 visitors a year. The city's own records show that the Gateway only gets 200,000 visitors now, and, as you know, there are so many repeat visitors in that 200,000. Their 300,000 estimate for visitors is almost as much as the Desert Botanical Garden, which gets about 380,000 a year. They think they are

going to get more visitors than Taliesin and the Musical Instrument Museum combined. So that's one huge area their business plan is simply going to fall flat.

Another area is their fundraising assumptions. They believe that they will be able to be financially viable with only 27 percent subsidies in fundraising. Their own business plan says that the average for their specific comps, the five comps that they identified, is approximately 37 percent and the business plan goes on to say that their sector, science event centers, requires 52 percent fundraising. So that's number two where their business plan is going to fail.

Number three is in their assumptions for volunteers. They say they're going to need 300 volunteers, and these folks are going to perform a business critical function, showing up at specific schedules, having certain customer facing functions. I want to know where those volunteers are going to come from. The Conservancy currently has approximately 650 volunteers and if you look at their numbers and if you look at where those volunteers spend their time, the vast majority of those volunteers are on patrol, they're outside on the trails, they're doing trail work. They might be at trailheads greeting people, but they are outside. And when the Conservancy has tried to have schedules and certain requirements for when people have to perform their shifts, it was largely rejected by the steward population. So that's number three. Where is their labor force going to come from? They are going to have to pay people and it's going to affect their profitability. They have one \$35,000 a year employee dedicated to managing this entire volunteer force.

They're saying they're going to have 60 events a year at night. I want to know how the stewards are going to handle that. How are the stewards supposed to manage the public who's coming in and seeing nighttime activities? And then the stewards are going to be put in this incredibly awkward position of having to tell people sorry, it's nighttime, you have to get out of the Preserve, but there's a party going on right here and they're serving alcohol. So we're placing our city volunteers in this incredibly untenable position.

Now, let's talk about the Preserve Fund. Kroy gave a presentation on that based on the latest report from Jeff Nichols. They say there's going to be about \$125 million left over in 2034. What was not addressed was the rate of capture for that fund to be funded.

Nichols' estimates are based on three percent a year in terms of growth. And he based that starting a couple of years ago, when we were coming out of the great recession, and he's holding that three percent for another 17 years. So we're looking at about 20-odd years of really good returns and I think that's simply untenable. Case in point, right now our country is facing the results of Hurricane Harvey, there is going to be significant damage to Florida from Hurricane Irma. These are national disasters and these are going to affect our economy in significant ways and this is not even year one of where these projections are coming from, so are we really to assume that for 17 more years we are going to have this good financial return to pay for this?

What that means is that \$120 million, \$125 million, is likely not going to be as large as it's predicted. And what that really means is that is the endowment for the Conservancy. You take \$30 million or so off the top of that \$125 million for maintenance, for trailhead expansion, things like that, you take \$60 million and give it to the Desert Discovery Center, you need one more Harvey and the Preserve fund is going to be under water. The Conservancy is going to lose its endowment I think and I fear, if you go vote to go ahead with this.

So, look, I've given you a lot of reasons to say no to this. We've talked about the business plan, we've talked about certain aspects of collusion or potential collusion. They certainly don't look good. We've talked about lawsuits that our group is prepared to file. They are sitting in our

lawyer's hands and they are going to be filed any day right now. We have public records showing that Sam Campana and her team were advocating for certain candidates in the 2016 election and we filed a complaint with the IRS. We have a city thoroughly divided over this and we have possible permanent changes to the Conservancy. This is an epochal decision in the future of the Conservancy.

Now, I don't know how they're going to evolve out of this, but I think we can all agree they will never be the same. There is going to be a large structure with professional fundraisers who are always going to have their hands out, standing, literally, at the front of the Gateway, taking away money that could go to the Conservancy.

The city did a survey last year. It was approximately 15 to 1 against the DDC. My group, No DDC, did a survey about two months ago and we got the same results, approximately 15 to 1 against. We are currently running another survey right now at the request of one of the Planning Commissioners. He specifically asked us to try to get feedback from the neighboring communities, Windgate, DC Ranch, MMR. And I just got a text from Mike Norton from our team who said that there are currently 750 responses, 700 are against. So, again, we're seeing 14 to 1 against the DDC. I just don't see how these numbers are going to change. I mean, you can conduct any survey you want. You just don't have these sort of numbers repeating themselves over and over again and suddenly the public coming out and supporting this. We've collected over 8,000 signatures for a ballot initiative to get this on the ballot.

Some of our group have posted calls for boycotts to the local resorts who support the DDC. And I will tell you that has been a controversial decision within our group. I personally am not in favor of that call, but we have a lot of people who all contribute to our voice on Facebook and the traction and responses we've gotten for those boycott calls do clearly show that there is a lot of anger and animosity toward the sponsors of this project.

Finally, I want to address something that Ms. Kovach says. She claimed that Carla and Solange Whitehead supported this project. I just sent Solange a text and her reply is something I cannot repeat to you here right now. I speak to Solange virtually every day. Two weeks ago, she and I presented to the Arizona Forward Council against this project. Going back to 2006 and claiming support is basically going back to the small interpretive center and saying well, because people supported this in 2006, they support it today. That is completely not true. Carla gave us a statement last week. We ran it on our Facebook page, and again she said unequivocally do not put this in the Preserve.

So, again, I ask you to vote no. Look at the business case failures. Look at all the conflict and strife around this. Look at all the optics of things that are possible criminal activities that we are not going to let go. We are going to drive these with our attorneys and do the right thing. Say no to this project. Thank you so much for your time.

CHAIR FROST: Thank you, Mr. Alexander. Just to clarify one thing, Mr. Ekblaw, did we not have an election, a bond election that allowed for the development of our trailheads and buildings, et cetera?

MR. EKBLAW: Yes, Mr. Chairman, the 2004 tax identified both land acquisition and improvements within the Preserve, and it's that tax that has funded the majority of our trailhead and trail improvements since 2004.

CHAIR FROST: Thank you. Our next speaker, please, Christie Kinchen, please, followed by Fred Corbus. You've got three minutes, but you don't have to use them all.

CHRISTIE KINCHEN: I'm Christie Kinchen. My address is redacted now because of a position I hold with Superior Court, but I thank you for the opportunity to speak today. I didn't think I was going to speak today and I won't take this time for granted.

The Preserve means a lot to me and to a lot of people. This is getting pretty emotional and a lot of people are really angry. The Preserve is a gem. It's why my mom and Jane Rau joined forces to create the McDowell Sonoran Land Trust when I was a kid. They saw development encroaching and they worked with the city to stop it and to do something about it collaboratively and I just don't know why we can't do that again, why our input doesn't matter now. I won't bore you with my family history. My mom's fleeing a hurricane right now. But this room is not representative of the city. I don't like that we're only being called for North Scottsdale residents' input where I think South Scottsdale, Central Scottsdale, all of Scottsdale matters. So I just think if you do want to push this forward, I think we should put it to a vote. I think we should get a say. The Gateway is my sanctuary. It's where I escape and I'm lucky to be alive and experience it. I start my stewardship with the Conservancy on Saturday and I've been chatting with my mentor and I'm really, really excited about it. And in speaking with her, you know, she told me that there's been reports that have been turned over to City Council regarding archeological sites, some historic status, landmark status, stuff that hasn't been explored and I haven't seen proposed anywhere. Only 75 percent of the Preserve has been explored in all of my research and diligence.

I have nothing to gain standing here. I have zero political aspirations. I don't make a penny to stand here. I am not a paid contractor. I'm a citizen that lives here. I own a business here. I am a native. My family has lived here for four generations and my mom is the cofounder of the McDowell Sonoran trust, Land Trust. The Conservancy has over 650 members, volunteers that have cared for this land for, what, 27 years now. I don't know why we need to change that.

I don't know if you've heard the term greenwashing, but that's when you sell a product that's supposed to be green when it's really not. We know this is green building materials. It's a beautiful building. No one can dispute you guys have a wonderful project. No one would ever dispute that. You guys are doing a great job at selling this and marketing it. The problem is there will be a permanent footprint. The biology, the flora, the fauna, everything will be changed, nighttime events, food, liquor, it just changes everything. I had a coyote run across me on Camelback the other day. I'm, like, Camelback Road.

Anyway, I'll wrap this up. But once you start issuing permanent permits, changing ordinances, we enter a dangerous territory. You guys got a win a couple weeks ago or was that last week, it's all blurring together, with the 150-foot buildings and shopping is the number one tourism driver. So we got that. I feel like - we should leave the Preserve alone. So thank you.

CHAIR FROST: Thank you very much. Mr. Fred Corbus, followed by Vicki Leigh.

FRED CORBUS: Fred Corbus, 11101 East Bajada Drive, Scottsdale. I feel like a caboose to two great presentations here. Thanks for this opportunity.

I pondered what to say this evening and finally decided to read an edited version of what I posted on your general comments line quite a while back. This issue is intensely important to me. In 1996 and 1997, before the northern boundary of the Preserve was formalized, I served on the McDowell Sonoran Preserve Commission and eventually had to relinquish ownership of my prized five-acre parcel to the City of Scottsdale to be what is now included in the Preserve.

This proposed Desert Discovery Center project, from my point of view, is a sad testimony to those with political power who don't understand the desert. I can only surmise that the project's

decision makers experience the desert by driving next to road medians or looking at front yards that have desert landscape. But many of us actually move into the desert itself and, during this experience, realize that it's fragile, gets its beauty from its expanse and distance from commercial and residential development. For those of us in this category, this project is sad, environmentally abusive, the opposite of what we voted for in the first place, and notably irresponsible, even insane. Please come to realize what is right and personally reflect on your upcoming discussions and your personal decision related to this project. Thank you.

CHAIR FROST: Thank you, Mr. Corbus. Ms. Vicki Leigh, followed by Craig Bell.

VICKI LEIGH: Hi. Thanks for listening to me. I don't really have anything prepared. I just wanted to come up here and say I am a native of - I'm a native of Scottsdale, born and raised in south Scottsdale, came up through Scottsdale High School. I voted on this many years ago as a supporter of the Preserve. Thank you. Can we read this later? Okay.

I came here to speak on behalf of my son. He can't speak for himself. It's not hot. We'll take care of it in a minute. Sorry. The only way Tyler is going to be able to learn about the desert is through something like the DDC. I have a membership to the Desert Botanical Gardens. I can't take Tyler there. The heat will cause seizures for him. I'm not a real good public speaker, so pardon that, but what I want to say is I support the DDC, I support this project, I support everything about it for people not only like my son who do use wheelchairs, but for people who can't get out to the desert. They can't get out to the trailhead. They can't experience the desert. (Child uneasy) Okay, honey, just a moment, okay. He's having a little temper tantrum. He can't get to the desert any other way other than through the, through something like the DDC. Back in 1986, I think your predecessors promised the City of Scottsdale and its residents a Desert Discovery Center and I think it's important that you carry through with that promise almost 30 years later. It's something that children can grow up learning about. It's something I can learn about even at the age, close to 60. Again, I support it. I hope you support it along with me, and thank you.

CHAIR FROST: Mr. Craig Bell, followed by Osvaldo Sala.

CRIAG BELL: That's my son right there. Tyler's been to the bottom of the Grand Canyon. Tyler's been to Yosemite. Tyler's been to every major national park in the United States, and the reason he was able to go to those places was because of a world-class visitor center and access to those spots. I'm a native of - or not quite a native of Scottsdale. I own a business in Scottsdale. I pay the tax on the Desert Discovery - of the Preserve. I used to camp, ride my motorcycle, drive my jeep, and hike in the area that's now the Preserve. Some of those things have been taken away from me. I've lived here long enough where I've camped and hiked all through the areas that are now shut down to a lot of the public that are paying for this. I just think that at this point the visitor centers, the visitors that come to our Scottsdale as a world-class destination, now we need to make our Preserve a world-class destination with a world-class discovery center for those people to come and enjoy the same thing we're trying to enjoy and not keep them out of what we paid for as taxpayers. I think that's about all I have. Thank you very much.

CHAIR FROST: Thank you, Mr. Bell. Mr. Sala.

OSVALDO SALA: My name is Osvaldo Sala. I am the Julie A. Wrigley professor at Arizona State University. I am the director of the Global Dryland Institute, and today I'm very excited to be here and thinking, envisioning the future, the synergism between the EDGE and Arizona State University.

Among our design principles are being imbedded in the community, our education and research. I wake up in the morning thinking about the possibilities of our world-class researchers interacting all the time with visitors, teaching them, and I am aware that what people can see depends on what they know. If you only - if you don't know any plant species, all of them look green. If you distinguish the shrub from the grasses, you start seeing more. If you distinguish the animals and the different types of animals, if you understand their function, if you distinguish the pollinators from those that are pests, you start understanding more, and the richness of the site becomes more and more important. That is what I'm waking up in the middle of the night thinking that we can do together. Arizona State University can't do it - can't have the Global Dryland Institute without the DDC, but together we can do much more and I am so excited about that.

So I'm here just to communicate our enthusiasm and our mission, our mission and goal of working together in a synergistic fashion. Thank you very much for this opportunity to articulate our goals and our vision and our hope of working together between Arizona State University, the Global Dryland Institute, and the City of Scottsdale. Thank you.

CHAIR FROST: Thank you, Mr. Sala. Ms. Sandra Schenkat. Followed by Phil Pangrazio.

SANDRA SCHENKAT: Sandy Schenkat, 10961 East Gary Road. Scottsdale attracts 9 million visitors a year and our Experience Scottsdale has a great website, which is obviously seen by more than 9 million, probably 90 million people in the world. The beginning of their video - and I'm quoting Howard Myers, because Howard brought this to my attention. I don't know how many of you have seen Experience Scottsdale's website, but if you watch the video on their site, they show Hummers ripping through the desert, bonfires in the Preserve, and parties going on and other activities which cannot be done in the Preserve. And the reason I'm bringing this up is I would ask that the Conservancy recommend to Experience Scottsdale that they change that image, because this isn't even what the Desert Discovery Center is supposed to be about. I have spoken with the Executive Director and she says well, we didn't film this in the Preserve. Well, the image is violating everything that you stand for and everything that you have set up.

So I am part of the Tourism Task Force. I am not for the Desert Discovery Center as it's presented, because I'm afraid that the tourism people will take advantage of the situation. So I would advise you all to check that website out and see if you can't make that change. Thank you.

CHAIR FROST: Thank you, Ms. Schenkat. Mr. Pangrazio followed by Melinda Gulick.

PHIL PANGRAZIO: Mr. Chairman, my name is Phil Pangrazio. I'm not a resident of Scottsdale, but I've lived in either Tempe or mostly Phoenix for the past 35-plus years. I'm the president and CEO of Ability 360. We're a center for independent living that serves people with disabilities throughout Maricopa County and other parts of the state of Arizona. Desert EDGE has the potential to open doors to people with disabilities to experience the beauty of our natural Arizona desert in ways never done or even imagined before. Through accessible facilities, trails, and exhibits, Desert EDGE has the potential to be a leader for the country in offering opportunities for accessing the natural outdoors for people with all types of disabilities. Ability 360 stands ready to offer, and I will say for free, our more than 35 years of knowledge and experience to the leadership and the developers of the Desert EDGE project to assure that not just compliance to the Americans with Disabilities Act occurs, but also to meet and exceed those ADA standards in a way that best serves all people with disabilities, whether it be physical or sensory impairments. Ability 360 has developed several projects. What was the Disability Empowerment Center located in Phoenix, which is a 62,000 square foot facility, also which is home to ten non-profit organizations that serve people with disabilities and also the Virginia

Piper Sports and Fitness Center for people with disabilities. So we have a lot of experience with designing and developing accessible facilities. We think we can share a lot of that knowledge and experience with this project to make it world-class and make it possible so that this is as accessible to everybody in our community as possible. So I personally support the project and I hope that it ultimately gets approved. Thank you very much.

CHAIR FROST: Thank you, Mr. Pengrazio. Melinda Gulick, followed by Mike Surguine.

MELINDA GULICK: Good evening, Commissioners, I am Melinda Gulick and for nearly 14 years I have been involved in the creation and development of the Desert Discovery Center. I've served on every committee and every task force, public and private, since 2004. I am a former member of the McDowell Sonoran Preserve Commission and a past chair of the Conservancy. In 2012, I was recognized statewide for my advocacy and conservation work on behalf of the McDowell Sonoran Preserve as the first ever Arizona Conservation Hero. I was the founding chair of the Desert Discovery Center Scottsdale, although I am no longer a member of the board.

Tonight you're considering plans for the Desert EDGE, formerly known as the Desert Discovery Center. I was going to insert a joke there about the artist formerly known as, but you get the point, it's the Desert EDGE. You've seen how sensitively the team responded to concerns expressed by the community, you reviewed the higher plane of education and research brought forth in this project, and the opportunity to engender a community of stewards for the McDowell Sonoran Preserve and the Sonoran Desert. You know that this project has been a 30-year vision of the City of Scottsdale, and as one leader deeply involved in the Preserve effort said, the DDC completes the Preserve vision.

When the original MUMSP was approved for the Gateway, the DDC was included. It had all the same uses outlined as the Desert EDGE, yet the exhibit space was very minimal and the café was much enlarged. All of the activities included at the Desert EDGE were included then and they are allowed today by permit.

Tonight, please honor the pledge the preservationists made to the tourism community over 20 years ago when they lent their credibility to the public votes for the Preserve. We committed to the community to create a preserve that is accessible to everyone, residents and tourists, hikers, bikers, equestrians, and those who want to experience the beauty of the Sonoran Desert, who want to uncover the mysteries of the Sonoran Desert, those who want to learn more about the connections amongst all the flora and fauna of the Sonoran Desert 363 days a year without breaking a sweat.

Thank you very much for your careful stewardship of the McDowell Sonoran Preserve and your deliberate consideration of the Desert EDGE. I urge you to support the plans for the project and move it forward. Thank you very much.

CHAIR FROST: Thank you, Ms. Guilick. And now Mr. Mike Surguine, followed by Alex McLaren.

MIKE SURGUINE: Mr. Chairman, members of the Commission, my name is Mike Surguine. I live at 12590 North 74th Place, 30-plus year resident of Scottsdale, also the vice chairman of the Experience Scottsdale, formerly known as - that seems to be a common theme today - Scottsdale Convention and Visitors Bureau.

The tourism industry has been an ardent supporter of the Preserve I think I heard Melinda say for 20-plus years, and that was always with the understanding that part of the Preserve would be a visitors' center, an education center, exhibitry, and research that would be such that it

would be a tourism driver. That it would be a game changer for the tourism industry. You know, to quote the acknowledged leader of the Preserve itself many, many years ago: I had always supported the Desert Discovery Center as a way to repay the tourism community, without whom we would not have won Preserve campaigns. Unfortunately, that now has become we believe the tourism industry has been repaid. Nobody asked the tourism industry if that was true. There have not been any meetings to that effect. We've been a steadfast supporter of the Desert Discovery Center, both with our actions and with our dollars. A lot of tourism bed tax dollars have gone to the Preserve over the years. We were very supportive of the phase 2 concept, however, we're equally supportive of the new concept, which I applaud, because residents were met with, opponents were met with, proponents were met with, citizens of Scottsdale were met with and the footprint was downsized, the location was changed to be more acceptable, the entry was changed to be more acceptable, the budget was lowered to meet some of the early concerns about how much money was being spent.

So what did the tourism industry get in return for all of this? Well, we got threats of boycotts. We got postings encouraging the opposition to go on to Facebook and Yelp and post false postings about us that would hurt our business. I'll just read very quickly some things from the opposition's Facebook page. Call for boycotts. The resorts that back the DDC should be focus of damage caused by the Scottsdale Preserve. By the way, that's all hotels and resorts in Scottsdale. Except for the demand that the city bulldoze the Preserve with taxpayer dollars - and by the way that's five acres out of 30 plus thousand acres - the DDC would have died long ago. If that's true, I'd say kudos to the tourism industry. Further, post on Yelp, Trip Advisor, and any other sites you use. Resorts hate negative press. Give them exactly what they deserve. Give them a dose of what is about to happen as the first blade touches the railway head.

I encourage you to support this. This conversation that tourists are already droving to the Preserve, not true. I talk to our guests - other general managers do as well. Thank you and I hope you recommend approval.

CHAIR FROST: Thank you, Mr. Surguine. Mr. McLaren.

ALEX MCLAREN: Mr. Chairman, members of the Commission, my name is Alex McLaren. I'm at 7730 East Osborn Road, South Scottsdale resident. I worked for the City of Scottsdale for 21 years. For a lot of those years, I was the Transportation Planning Director. I was also involved in the construction of a lot of the infrastructure up in the area, Thompson Peak Parkway in particular, the bridge over the CAP canal, the connection to Thompson Peak Parkway going by the Preserve, so I'm very familiar with the area. Obviously, I'm an engineer, so Kroy and I used to have lots of discussions about various issues in the desert, him being player and me being an engineer, but I think the Desert Discovery Center as re-envisioned by the consultants who I think have done an awesome job, the interpretation and the buildings which they will - which they propose I think reflect how it could be interpreted and how we could educate people.

I'm particularly struck by the lady and the gentleman who were here with their son who want access to the desert as well. I think that is key. I think the exhibits are awesome. I think, obviously, funding is going to be the major - the major component or the major policy issue for this project. It's a large budget, funds are going to have to be found to do it if the City Council ultimately decides to move ahead with this, so to me that is going to be the key to how this could proceed. But I would urge you to forward this to the City Council with a recommendation to proceed. Thank you.

CHAIR FROST: Thank you, Mr. McLaren.

All right. Commissioners, if you'll bear with me, what I'd like to do is go through the key items of the proposed EDGE project one by one and just kind of get your input, your comments, your questions. If we have questions of the consultants or the staff, we can do that at the time.

So I'm first going to the proposed site elements and discussing the size of the project and the area of impact, multi-use, outdoor seating, that sort of thing. Any commissioners have comments or questions regarding that first item, first area?

So since the project has been directed to the consultants for the Gateway area, they have moved it from the size - to a smaller size or a different location. So that question has been answered.

Okay. So the next one. In these areas, are you comfortable with these items? Now, these items might be in conflict with the Ordinance, but for discussion purposes are you comfortable with them? The education and interpretive exhibits? Science and research, scientific research with ASU; is that a question of anybody? Food and beverage sales? Mr. McKeighan?

COMMISSIONER MCKEIGHAN: Thanks. So as commissioners, what is it you are looking for us on these particular items? Are you looking for us to ask questions of people, make comments?

CHAIR FROST: Yes, yes. That's what I indicated when I introduced it. This is our opportunity to discuss it amongst ourselves as we get ourselves ready for any kind of motion or action that we would like to take. So if you'd like to comment on these, fine. If you don't want to comment on them - and I'm - let me tell you what I'm doing. I'm going to go through all the activities, the funding, the capital costs, the operational costs, the impact on the Preserve tax. I'm going to go through all of those items and if you want to comment then. And then at the end, if there's someplace that we didn't hit, I'm going to let you speak again. We'll just go through this and take as much time as we can. I'm sorry I didn't order pizza this time, but,

COMMISSIONER MCKEIGHAN: Can we start from the top?

CHAIR FROST: We'll start at the beginning. So the proposed site plan and its elements. Any concerns there with anybody?

PROPOSED SITE PLAN AND ELEMENTS

CHAIR FROST: Mr. Englehorn?

COMMISSIONER ENGLEHORN: I'd like to comment that I'm happy that they responded to Howard's ideas and moved the site to the other location. It's - I've been to that particular site and it is well hidden, so to speak. You can't see - you can hardly see the Gateway there. So I'm impressed with that move that you did make and I think that it was - should be well received. And, in addition, the 5.36 acres reduction to that size is also a response, I understand, to some of the hearings that you had, and I appreciate that.

CHAIR FROST: Any other comments regarding the site plan? Commissioner Dodd?

COMMISSIONER DODD: Yes, I have a question. Certainly, I agree this is a better location than where it was, adjacent to the wash, is there anything to address, ecological impact of the building there on the site or the wildlife through there with the activities at night?

CHAIR FROST: (John Sather requested to address this question) Sure. Go ahead.

JOHN SATHER: John Sather, Swaback Partners. Quick answer is we have - we are not in the wash, so this is not us trying to project ourselves into the wash and have that type of experience. We had the city staff, the city engineers, we've convened our civil engineers out there and really have created a safety barrier line between us and the wash. So we're not in the densely vegetated corridor area. There is that fine line. We're not in any incised wash itself, so; and remember, this is schematic design. As we go forward, we'll obviously have more studies as it relates to the civil engineering, but it is not our intent to impede the wildlife corridors or the wash flow itself.

CHAIR FROST: Thank you. Any other comments on the plan elements? Commissioner McKeighan?

COMMISSIONER MCKEIGHAN: I have two comments that are related. One, obviously this process went through, I would say months, long periods where a change in the site was not on the table and people were told that the site couldn't be changed. So I echo the comments of some of my fellow commissioners that I think it is a good thing that that step was taken. I think the, as Commissioner Dodd said, the 5-acre site proposed is better than the other site.

At the same time, which is comment two, I would like us to continue to consider other possibilities and possibly smaller possibilities. I do not know that we are at the end of the process on location, but I'm certainly pleased by the attitude that the DDCS group took and particularly Mr. Sather's group, in recommending a change based upon viewed circumstances. That's part of what this process is supposed to be, is to look for the best options and alternatives, and where appropriate to act on them. So thank you.

CHAIR FROST: Others? Commissioner Wenstrom?

COMMISSIONER WENSTROM: Chairman Frost and Commissioners. I echo that. I am pleased to know that the DDCS did move the site a little bit away from its original plan. I would ask that you continue to look farther south. If we are going to be parking folks off of this site, including tour busses, that we continue to look farther south in the Preserve, which also opens up vistas to the Pinnacle Peak and other areas, that we at least look at this as a consideration. Thank you.

CHAIR FROST: Vice-Chair Milillo?

VICE-CHAIR MILILLO: Yes, Chairman, Members of the Commission, I also agree that the site move was a key positive for me. I've always thought that the biggest impact of this is not the actual facility itself. The biggest impact out there, and disturbance, is the parking area. And so I am very pleased that the site moved. I'm pleased with the size of the site being limited to no more than 5.3 acres, and I'm also very pleased that there's no expansion of the parking on site being proposed.

CHAIR FROST: Commissioners, Commissioner McKeighan kind of opened the door to the elephant in the room and that is if there is an off-site opportunity for. If the city is going to provide an opportunity for off-site parking and administration, what keeps the - why should the Desert EDGE be in the Preserve? Ms. Kovach, could you respond to that, please? Oh, Ms. Lagarde is going to respond to that question? This is not a legal question.

LYNNE LAGARDE: No, it's not a legal question and I'm not going to give you a legal answer. None of us in this room developed a love and passion for the desert and the Preserve by seeing pictures in an air conditioned box in Downtown Scottsdale. We developed our love for the Preserve by being in it, by feeling it, by having the impact of the presence of being in the

Preserve. There are so many more things in the Preserve than you see on a hike, and I think you can see from our introductory video that what we want to have people know is the breadth of that magnificence of the Preserve. We can't see the deep time that created Tom's Thumb. We can't see the route of the desert pollinators as they move through the Preserve, but we can give you that experience. You can't hear a saguaro breathing, but we can give you that experience with the project that we have designed. That's what the project is about.

It's about the Preserve and teaching people to love it and protect it. And you cannot replicate that experience in any other place. The only way we can get people to know and love and understand the Preserve is to welcome them into it. So for us there is no other location and this is the location that has been planned for over 20-something years and for which the city paid precisely for this site for the Desert Discovery Center. We think all of those things say to you why it needs to be in the Preserve. It's what gives us the love that we all have. It's what will inspire future generations to feel the way we do. We need to bring them there.

CHAIR FROST: Thank you. Commissioner Wenstrom?

COMMISSIONER WENSTROM: Thank you, Chairman Frost. Ms. Lagarde, thank you for your information. That's helpful, but you are proposing a building to share these experiences with folks, you're not actually putting them on the desert. So that does bring up the question of why must the building be within the Preserve?

LYNNE LAGARDE: Well, I think because, as we've explained in all of our presentations, this is an indoor/outdoor experience. When you stand in that wash and see what we showed you of the water rising, you're standing and looking right out at that wash. That is a different impact than if I stand in an IMAX theatre and have that experience. When you look out at that Bajada exhibit, it's a very different experience if you look out there and see the plants that we're giving you more information about. And I would suggest to you that there are already at least ten buildings in the Preserve. It was never intended to be left without access and we have that access for hikers and bikers. We don't have that access for all the children that would come on field trips and experience what we've given you. We don't have that access for people who otherwise can't be in the Preserve. So it is an experience that only the Preserve can give you. Every single one of the experiences is focused not just on the Preserve, but on a specific view of the Preserve that you can learn more about. That's why we think it's important. We think it's just like the other buildings that give access to other people to the Preserve. This expands our access in a very meaningful way.

CHAIR FROST: Thank you, Ms. Lagarde.

ACTIVITIES AT DESERT EDGE

CHAIR FROST: Okay. Let's move on to the areas. Quite a few things have been included in terms of activity for the EDGE and I just want to get a sense from the Commission if you're comfortable with all of these things. And I'll just read the whole list and then you can jump in with any areas that maybe you have specific questions or concerns about. There's education and interpretive exhibits, of course, there's the science research with ASU; there's the food and beverage sales; there's the gift shop; there's events, numbers that they are allowed to do, the number of attendees, attendance, night activities. I think - I don't know. I don't think the proposal included sound amplification, but I don't think that's in there. Any problems with the fee base, nighttime use? They're suggesting 60 event nights, which is more than one a week, regular usage, alternative hours, involvement with the local Native American communities, off-site parking, and accessibility. That's a bunch of stuff. Commissioner McKeighan?

COMMISSIONER MCKEIGHAN: Always happy to jump in first. That's a long list, by the way. I'm going to touch on four of those topics, education, research, the food and beverage and the nighttime events just really quickly. From an educational standpoint and really from an exhibit standpoint, taking out cost, taking out location in the Preserve, the exhibits themselves are really impressive. I would like to think that if this were a private project on private land, probably everyone in the room would agree with it. I told the folks at Thinc after the presentation we had last time that for months I hadn't had a clue as to how you could possibly put an exhibit there that holds a candle to what is actually in the Preserve and they opened my eyes to maybe I was a little narrow in my thinking in that respect. I live near the Preserve, I walk, I see it every day and I see it change every day. Obviously, visitors or people who don't live here, don't have that same breadth of experience. And Thinc opened my eyes to the possibilities there that there is something that can be offered by a DDC.

Number two, on the research side, obviously a partnership with a research institution like ASU is very impressive. And I don't know that I have much more to say other than I am in favor of that.

Now, let's turn the page to the downside.

I have some serious concerns about the café. I have concerns about its size. I have concerns about the fact that it might be open before the Preserve - before the Preserve itself opens. I have concerns that it feels like a city-subsidized restaurant in the Preserve when we have multiple restaurants within walking distance. It's not limited to paying patrons of the DDC, which means I'm not sure it's really an ancillary use. In my mind, it seems to be almost an independent use and I'm not sure I'm comfortable with that.

Supplemental to that, on nighttime events, I just think 60 - and I've had conversations with the DDCS folks about this, that I think 60 is too many. I don't know what the right number is. I appreciate the fact that they have tried to mitigate the impact on the Preserve by preventing parking and strictly limiting people to go by shuttle. I would appreciate the fact that if such nighttime events were strictly indoors and didn't allow people access outdoors to cause noise and to affect the fauna within the Preserve, but I'll stop there.

CHAIR FROST: Other commissioners in any of those areas. So nighttime use. Public accessibility is all good. Off-site parking. I asked Mr. Ekblaw about the off-site parking area and was told by Mr. Ekblaw that the city has proposed that they will make that property available at some point in time, so they were not - the DDCS was not required to identify that. Is that correct?

MR. EKBLOW: Mr. Chair, the area that we targeted for consideration is along the Bell Road corridor. To the south, we have the WestWorld property. We also have some property adjacent to what's known as the Reata Wash adjacent to the WestWorld property. And to the north of Bell Road, we have what we refer to as an 80-acre parcel that we acquired many years ago that has yet to be developed. And, again, those are all city-owned properties. The opportunity for these off-site activities, be it administrative and the parking, the parking could be synergistic with parking needs at WestWorld itself. Those were all opportunities that given - should we be given direction to proceed with the project, we would explore a range of opportunities in there and that would be the target zone that we anticipate the satellite facility could be located. But at this point in time, until further direction, we weren't going to come up with site plans for that. But programming - John Sather, the architect, has done programming of square footage needs and identified the parking that could be achieved there.

CHAIR FROST: Okay. While you still have the mic, Mr. Ekblaw, there's been suggestions that this project would set a precedent throughout the rest of the Preserve for other such activities. Can you address that, please?

MR. EKBLAW: I suppose that really depends up on what we end up with as far as the final proposal and direction. Certainly, many of the things that I think we've heard that raise concerns are not things that we have approved on a regular basis, or in many cases some haven't been approved at all. But to the consideration of the history of identifying an educational, research being identified at the Gateway facility or in that location has certainly been identified out there. And then the approach by which whatever the activities are that are identified, this being handled by way of contract, by way of option of amendment of ordinance, those would all be subject to the direction of the City Council at the time that we come forward with direction. So we would expect to address that so that it is limited to this facility.

CHAIR FROST: Thank you. Other questions on that subject? Commissioner Englehorn?

COMMISSIONER ENGLEHORN: Yes. From a citizen science perspective - I was the first chairman of the Citizen Science at the Conservancy - and we are already in a partnership with Arizona State University with lots of research on the Preserve. And I would - I would hope that the Conservancy might have a spot in the ASU building so we can be closely, more closely, related to the ASU scientists. I don't - I would like to see that and I don't know if that is included in the proposal for that building.

CHAIR FROST: Thank you. Commissioner McKeighan commented on the food and beverage sales, but no one has commented on the actual comment of alcohol sales that's being proposed. Commissioners have any comments regarding that? Commissioner Englehorn?

COMMISSIONER ENGLEHORN: Could I get an answer from the DDC?

LYNNE LAGARDE: Commissioner Englehorn, again Lynne Lagarde. We have been wanting to have a much stronger partnership and relationship with the Conservancy, including we would like to be able to offer the Conservancy space within the project. I can't speak on behalf of ASU, but we have certainly talked about it. We would like to strengthen our relationship with the Conservancy, but we have been reluctant to say anything that would tend to imply that the Conservancy has taken a position one way or the other. So we've been very careful in how we've addressed that issue, but we certainly see them as a natural partner and hope that we would earn that partnership and a place for them within the project. We would also like them to provide services within the DDC. There will be educational programming. We'd like to be able to offer personal tours of the Preserve that perhaps stewards would lead. We see the possibility for a lot of mutually supportive interaction, and having a place for the Conservancy and the Citizen Science effort within the Desert EDGE is certainly something we have discussed.

COMMISSIONER ENGLEHORN: Thank you.

CHAIR FROST: Thank you. Any comments on the alcohol sales or anything on that matter; any comments? Vice-Chair Milillo?

VICE-CHAIR MILILLO: Yes. I find the alcohol issue to just be an insignificant detail. I am concerned about the event venue and the intensity of the event venue as a rental facility, the number of events, special events that are being planned. But I think, you know, the alcohol issue is a non-issue for me.

CHAIR FROST: Thank you. Any other comments regarding the proposed activities?
Commissioner Dodd?

COMMISSIONER DODD: Yes, regarding the alcohol. I personally have no problems with alcohol. As some of you are aware, I like a glass of wine and a shot as well. However, where I become concerned is someone having a couple glasses of wine and then going out for a hike. I think that can be very, very dangerous and there's certainly liability issues there.

CHAIR FROST: All right. Thank you. All right. Let's move on to the funding area. And the big one is the proposed funding. It's actually the City Council's responsibility, but in the presentation they've listed the bed tax and the Preserve tax. And the question is what are the projections, the sustainability, and the dependability of those funds? Anybody have comments regarding the use of the Preserve tax? Commissioner McKeighan?

FUNDING

COMMISSIONER MCKEIGHAN: Good. For my part, when I look at that, my primary concern is the endowment. And I would prefer the Council to address that issue first. I think the biggest challenge we have facing the Preserve is the long-term maintenance and care of the Preserve. And I would prefer to see those taxes funding an endowment before we get to a decision on - well, not us, but before the Council gets to a decision on use of those funds. That's really all I have to say about it. I think that's ultimately going to be a Council decision more than ours, obviously. And I would just like to reemphasize that we are in favor of the endowment. And I suspect a lot of people in this room might be surprised by this, but I think the DDCS people are also in favor of an endowment. So there's room on both sides for that one.

CHAIR FROST: Other comments on the tax areas? Vice-Chair Milillo?

VICE-CHAIR MILILLO: I'll just state for the record that my feelings are exactly the same as Commissioner McKeighan's. I think the endowment comes first and only after that issue is resolved could we ever discuss Preserve tax funds.

CHAIR FROST: Commissioner Dodd?

COMMISSIONER DODD: Yes, I certainly agree.

CHAIR FROST: Here's the thing I can't wrap my head around, and that is a certain amount of money comes in each year, \$25 million, and X number of dollars of that is used for current projects that we have on the docket to build, and a certain amount of that is used to pay debt service on our current bonds. So there isn't \$20 extra million sitting out there tomorrow or, let alone, \$61 million sitting out there tomorrow if the Council were to go ahead and say okay, we're going to use Preserve funds. Those monies aren't available are they, Mr. Nichols?

MR. NICHOLS: Chair Frost, no, they aren't. But I would like to address some of the comments that were made, because I've been given some historical data related to our estimations of the funding that will be left at the end of 2034 when the second tranche of tax is complete after 30 years.

So for the first, approximately, 22 years, since 1995 in the first tax, we've seen an average growth rate of 4 point almost 3 percent in that tax, an average annual rate. Now, during that period of time, of course, everyone remembers the years 2008 through 2010, and over that period of time there was a 32 percent decrease in that tax. So you take out that big great recession. Even with that great recession, a decrease of 32 percent in that tax over three years,

we still averaged an annual increase of 4.3 percent. So are our assumptions going forward reasonable? I believe they're reasonable, given the facts that we know. If I could predict recessions, I wouldn't be in my current position, I'd be doing something else. But then when I look at the second tranche of the tax, it didn't start until 2004. We started collecting in 2005. Since that time, we've collected an average of about 1.95 percent year over year increase. And, again, that is with that approximately 32, 33 percent decrease during those three years of the great recession. So are our projections - you know, do we think they're going to end up in 2034? Well, I would just tell you that we would update those for Council on an annual basis, and we will do it every year going forward.

CHAIR FROST: I understand, but if the City Council said - I'm just making this number up. If the City Council said okay, we're going to go ahead with this project and, Mr. Nichols, we want \$30,000 from the Preserve Fund, and can you get it and, B, what happens to our development projects?

MR. NICHOLS: Chair Frost, first of all, I mean, if they asked me to do that without a public vote, no, we couldn't do that right now, because it's not a use of the funds. The second, if Council wanted me to seriously consider, like, a perpetual care fund, endowment fund, or whatever you want to call it, I would let them know that it's not until the later years of these two tranches of the tax that we could actually start funding that for an endowment. So it's in the later years. We've purchased land, we've used debt to purchase land to date. As that debt gets paid off, we'll have more capacity within those revenue sources to build an endowment. But could I just plunk down \$30 million today? Absolutely not. In the future we may be able to do that after our current obligations are paid off.

CHAIR FROST: Okay. Thank you. Any other questions from the Commissioners?
Commissioner Alpert?

COMMISSIONER ALPERT: I have a question for the DDCS. Can you build the DDC in the Preserve without the Preserve funds?

LYNNE LAGARDE: We're just a little bit puzzled, because we're not sure that we understand the question. Do you mean legally or do you mean just feasibly speaking could we do it without Preserve funds?

COMMISSIONER ALPERT: Well, you're planning on building it, as we know right now, with the bed tax and the Preserve funds -

LYNNE LAGARDE: Yes, that's we've recommended.

COMMISSIONER ALPERT: If we decide no, you can't use the Preserve funds, or the city decides it, will you still be able to build the Desert EDGE?

LYNNE LAGARDE: Well, there are other funding mechanisms. We have focused on a no new taxes approach. We have studied very carefully the capacity of Preserve tax funding. We have studied the ballot language and know that it allows us to do construction. So that's the direction we took. Are there a lot of other ways it could be funded? Yes. We could raise more from the private sector. We could do a bond election. You could do general funds. You could do IDA. I'm trying to remember, Christine, all the ones that we've looked at. There are other ways of funding it besides using Preserve tax funds. Could we do it? Yes, we probably could. Would it be more difficult? Yes, it probably would.

COMMISSIONER ALPERT: Thank you.

CHAIR FROST: Commissioner Wenstrom?

COMMISSIONER WENSTROM: Thank you, Chairman Frost. I applaud the Desert Discovery Center for reducing the size, the footprint of the project from quite large down to 5.3 acres; however, the size is still not sized down comparatively. I think we saw \$75 million and we're down to \$61 million. How can you reduce the cost of this project so that we're not looking at other ways of funding and certainly not Preserve funds?

JOHN SATHER: First off I don't - if we go back to the phase 2, \$75 million and change - that was 2010 - those numbers were escalated slightly, so we're talking about a number of years of escalation comparing, so if you take \$75 and escalate it. If you look at the average rate of inflation in the U.S., it's very minimal. We don't seem to get concerned. The inflation rate in the construction industry right now is significant. And if there are any builders in the audience, you certainly know that that has been resoundingly confirmed in all of the cost estimating, et cetera. So if you escalate the \$75 million, it actually may be up around \$90, \$95 million now. So you take it - we took it down to that.

Now, how do you take it down less? When we looked at this and we cost estimated it - I use this as an example, but we think of these as hundred-year buildings. We don't think of these as tract home buildings that many people in this room live in and we will rebuild in 15 years or 20 years, because they're shoddy construction. We look at the current trailhead buildings and we look at some of the maintenance issues that staff has shared with us in that. So we are looking at significant construction costs because of the quality of those buildings.

Now, can we take that down? These buildings are estimated with the majority being rammed earth and board formed concrete and what we call desert roofs, which is similar to the Gateway building. As we look at this and we go through a value engineering exercise, say as we go through design development, which we've often done in city projects, we might take that building down now. But these are fair estimates now, looking at that quality of construction. Does that –

CHAIR FROST: Other comments, Commissioners?

BUSINESS PLAN

CHAIR FROST: Okay. In terms of the proposed business plan. Now, I don't know our role in kind of questioning their business plan, because they put it together and did some studies, but terms they've talked about: Their marketing, attendance projections, revenues from events, revenue from retail, food and beverage. Any comments regarding their business plan? Commissioner Englehorn?

COMMISSIONER ENGLEHORN: I was sitting in my office reviewing the business plan and looking - I was looking at the staff, \$2.5 million for administration, and then I said what am I doing? This is not - this is way above my pay grade. This is not for a Preserve commissioner, it's the responsibility of the city. My responsibility as a Preserve commissioner is to make sure that we - that this project is consistent with the Preserve Ordinance. I'm certainly not - you don't want any ideas from me regarding this - the financial operation. I'm looking at the Preserve Ordinance and I believe that's what we should be talking about. I don't think the City Council is going to be asking me for a business operation.

CHAIR FROST: Other comments from commissioners on that subject? (None)

PRESERVE ORDINANCE

CHAIR FROST: Yes, there is that question of the ordinance. Any commissioners have comments on the ordinance and how this proposed project could impact the ordinance or the ordinance impact the project? Vice-Chair Milillo?

VICE-CHAIR MILILLO: I see this facility - first of all, I think that both Swaback Partners and Thinc Design did an excellent job in creating a big vision for this facility. And I think, from my understanding of it after all the presentations and what I've read and what I've seen, the primary objective of this is for ecological education, research, and interpretation. And I see those three things as being appropriate, given what the Preserve Ordinance says. I also see providing access to the interpretation, the education, and providing access for all individuals in the city as further confirmation that this is in accordance with the Preserve Ordinance.

CHAIR FROST: Other comments? Commissioner Alpert?

COMMISSIONER ALPERT: I've spent several hours this past week studying the - studying Chapter 21, and what I've discovered for myself is that as a Preserve commissioner and a legacy steward for the Conservancy, I have deep concerns regarding the DDC being placed in the Preserve and I would never vote to allow anything untoward to occur in that Preserve. Oh, I'm going to turn those red real soon (*referring to colored cards provided for audience feedback*). So that being said, from the studies that I've done, I'm very impressed with what I've seen from the DDC and tonight's answers, especially from Mr. Nichols - because I have concerns about the Preserve funds. I don't like them being used, but if they are going to be monitored on a yearly basis - I'd rather see them monitored almost on a monthly basis to protect - you know, to protect their legacy and the endowments that we voted for last year. All those things are the most important things to me regarding this project and the footprint and the sustainability that we need.

Now, I have a better understanding of things. And from the people that I've heard speaking tonight, I was very moved by some of the people that came forward. And it never crossed my mind until just tonight that everybody is paying for the Preserve, everybody is paying taxes, not only the people from the no DDC, but the people who can't use the Preserve who are living in Scottsdale and would like to be able to use it. That touched me more than anything tonight. And I received - one of the emails, out of the 20 emails that we received during the last week, there was one sentence from one of them - I won't even name who sent it to me, but the bottom line is that the plans for the DDC I feel, as they're written here - as is written here, are responsive to the community concerns regarding the size, the traffic, the cost, and the location. Again, I'm not real happy about the Preserve funds, while the project itself fulfills the opportunity we have to engender a deep love and appreciation for the Sonoran Desert.

CHAIR FROST: Commissioner McKeighan?

COMMISSIONER MCKEIGHAN: I've probably spent more time thinking about this issue than any other and sad that I don't have the magic wand answer that anyone probably wants to hear. Being a lawyer, I'm particularly sensitive to statutes. Drafting statutes, drafting a Preserve ordinance, is no small feat. It's incredibly difficult. It's nearly - it is, in fact, impossible to imagine everything that can come down the road that an ordinance is going to affect. And, certainly, we have voted as a commission on certain changes when courts made rulings on the ordinance.

So, with that said, I think more than anything, this process probably will encourage us over the coming periods to consider whether changes to the ordinance are, in fact, appropriate.

To me, the issue here is whether a DDC is part of a necessary or appropriate passive recreational use. The record would suggest that the DDC has been considered to have gone in the Preserve - some form of DDC to have gone in the Preserve goes back many years. And so in that respect, one would be inclined to believe that it is - fits within that passive recreational use. I think the disagreements we see from opponents and proponents have to do with size and scope and whether it fits their vision of what the historical DDC was. Coupled with the fact that as you read through the ordinance, but when you sit down and apply each of those prohibitions to the city, you realize that a lot of times they don't or probably weren't intended to apply, in fact, to the city.

And so I think we are in a bit of a gray area. I don't think this is an area that can simply be permitted around, but there is, in my mind, no clear answer at this stage where we're at on this. And I think that behooves all of us as commissioners to reconsider the ordinance and what it does. With respect to whatever happens with the DDC, if it goes forward, I would certainly like to see the city take some action to give comfort to the people who oppose the DDC that something like that's not going to happen again, but I think that's for a future discussion.

CHAIR FROST: Commissioner Alpert?

COMMISSIONER ALPERT: So one final thing. Section 21.22 gives very broad powers to the Preserve Director. A lot of the questions that the No DDC people have are - their concerns have to be answered by the city, because the Preserve Director has the authority to allow some of the things that they are against in the Preserve. So they are allowable with the city's approval and I don't think we have the power to override that.

CHAIR FROST: Except, in my understanding, those are pretty much temporary uses that come often before the commission to offer a temporary use for some activity. I think some of these activities, as suggested by Commissioner McKeighan, need to be addressed by the ordinance and clarification. As you recall, at the August 10th meeting, I asked the city - specifically asked the City Attorney if he would give us a definition at that time if these are permitted and he declined to do that. He said he had to report to the City Council. So when the City Council meets, they are probably going to ask that question of him. And so maybe you can get that answer at that time. For me, there is still a question about the uses permitted in the ordinance. That part needs to be cleared up by the City Attorney to the City Council.

OVERALL COMMISSIONER COMMENTS

CHAIR FROST: All right. I've gone through my list. Commissioners, now is an opportunity to just make any comments that you'd like to make overall, in general, about anything. Commissioner Englehorn?

COMMISSIONER ENGLEHORN: After reviewing what I've heard today and all the meetings that I've attended, I do believe that the proposal is consistent with the McDowell Preserve Ordinance as it exists today. But I think we have a lot more questions. Perhaps we can send a list, if we move this forward to the City Council, that lists our concerns. Because this is - this isn't the final - this isn't the final plan, I don't believe. There's going to be some opportunity for some more changes and tweaks and whatever, however - whatever level we decide that this is. But today it's consistent, in my opinion, with the Preserve Ordinance and we should move it forward, perhaps with a list, Mr. Chairman, of suggestions that we would have with this project.

CHAIR FROST: Thank you. Mr. McKeighan?

COMMISSIONER MCKEIGHAN: I would echo Commissioner Englehorn's comments to the extent that I too don't believe that we're at the quote, unquote "final plan." I would probably not be inclined to vote it forward at this point, although I wouldn't be inclined to reject it either. I think some more information, some more refinement is necessary before that - before that happens and certainly before I'd be ready to take an action like that on it.

Separate and apart from that, I just want to take a minute to talk to everybody here. Everybody in this room is passionate about the Preserve. That's why you're all here. That goes for the opponents with the red and green signs, even though you sometimes get confused about which one you want to put up, but I can also tell you it also goes for the folks with the DDCS.

I've met with Christine and I've met with Jason. I've met with Lynne and I've met with Howard Myers. They are - they're all nice people. They're not bad people and I would encourage you to keep all of the discourse on this civil. There are disagreements about the size and the scope of this project. At the end of the day, if this project goes in, the Preserve doesn't die. People don't die. People aren't harmed. It may be diminished in some people's eyes, but it may also be enhanced in other people's eyes. And I'd ask you to keep that in mind.

When the city has taken on projects in the Preserve and primarily the trailheads, they've really done a first-rate job. I - I guess what I'm really trying to encourage you all is to talk to each other. You can disagree, but talk to each other, shake their hands, get to know them. This process has been going on for years and years and years. I think it's time to see it through to the end, as painful or difficult as that might be for everybody, however it works out. So be nice. Thank you.

CHAIR FROST: Any other comments? Commissioner Wenstrom?

COMMISSIONER WENSTROM: Chairman Frost, thank you for the opportunity. I do have some concerns with the Preserve Ordinance that does state this is for passive outdoor use. I define passive outdoor use maybe differently than some other folks do. To me it is hiking and cycling and horseback riding. We have incredible trails available for folks that need an ADA or a slower paced trail. We've done a good job of providing those additional outdoor opportunities. I'm a bit concerned that currently we have a Conservancy that does an outstanding job of research, of education, and yet we're asking for something different to be put into the Preserve to possibly expand that. I'm not certain exactly what that looks like. But I do have concerns about operating in the evening. I do have concerns about how we've been so very careful with our wildlife. That was an important piece of the Preserve. It is to preserve the land, to preserve the wildlife, et cetera, and to preserve the experience. So I do look at this very carefully. It's important that we all look at this very carefully.

Ultimately, I do think that there is more discussion to occur with this, but I believe, ultimately, I'd like to see it put to a vote to our residents who voted to support the Preserve.

CHAIR FROST: Thank you. Commissioner Englehorn, did you have something you wanted to add?

COMMISSIONER ENGLEHORN: Well, I'm not sure what you expect us to do and I don't know that a motion - I don't know what a motion would be. It's not an up and down.

CHAIR FROST: Okay. Well, just hang on just a second. Let's see if the other commissioners have anything else they want to add to the discussion before we start asking where we want to go from here.

COMMISSIONER ENGLEHORN: That's fine.

CHAIR FROST: Any other comments from commissioners? Commissioner McKeighan?

COMMISSIONER MCKEIGHAN: I think it's important that everyone in the room understand that as a commission we don't get to vote up or down and have that activity necessarily followed through. All we can do is give our advice and consent to Council. And so as we do that, that is our thought process. If we voted yes today, it doesn't mean it's getting built and if we vote no it doesn't mean it's not. It's just our view of the best way to provide our advice and consent to the Council.

CHAIR FROST: All right, then. We are there. What is the Commission's pleasure at this point? Vice-Chair Milillo?

VICE-CHAIR MILILLO: Mr. Chair, I'll try a motion. It will probably be a bit radical, but, I mean, listen to the actual wording of it, because I - along with Commissioner Englehorn, you know, I think your charge is pretty clear on, you know, looking at the impacts on the Preserve and whether this type of a facility in some form is an appropriate use, whether it's going to have negative impacts or positive impacts, or unlikely neutral impacts.

I would move that the Preserve Commission finds that the Desert EDGE proposal is an appropriate use on this site in the Preserve, that it meets the purpose and management objectives of the Preserve Ordinance by providing a superior opportunity for people to experience the Sonoran Desert and mountains, provides superior opportunities for education and scientific research on the Sonoran Desert, and that its size at no more than 5.3 acres and no additional on-site parking will not negatively impact the Preserve. That would be the motion. I do have some concerns with the event venue, with the use of the Preserve funds, but that would be the motion.

CHAIR FROST: Is there a second?

COMMISSIONER ALPERT: I'll second that.

CHAIR FROST: Commission discussion, please. Anyone like to comment before we take a vote? Commissioner Alpert?

COMMISSIONER ALPERT: I seconded it, because I want to see a vote.

I do have concerns too regarding if this is approved in this manner, how do we change some of the sections that we're unhappy with, the alcohol, the other concerns Jace had, that Cynthia has? Once we approve this, it's gone. Am I correct?

CHAIR FROST: The item goes to the City Council with whatever we decide and in whatever form. It wouldn't come back to the Commission unless something - unless the City Council sent it back to us.

CHAIR FROST: Other comments? Commissioner Dodd?

COMMISSIONER DODD: Yes, at this point, I'm not comfortable that we have enough information, enough answers to some of the questions that have been posed to agree to at this point. That's not to say - I think most of the Commission, from what I've heard, we're all in favor of a Desert Discovery Center, one that's focused on education, one that's focused on bringing the Preserve experience to people who may not otherwise get to have a Preserve experience.

I'm just not sure this is completely it. I mean, personally, I'm not sure this is completely it at this point. I think it's a fabulous idea. I think the things you guys have done are great. I'm just concerned about the impact of nighttime events, of alcohol sales, of all of those kinds of things, and I think we need more questions answered before I'm comfortable in saying yes, this is it.

CHAIR FROST: Commissioner Englehorn?

COMMISSIONER ENGLEHORN: I agree with Steve. I think we need - I think we're premature. We don't - we need lots of answers. We have lots of questions. Not lots, but we do have some. I personally have some concerns. And we could move it - if we could move it to the City Council, explaining that we still have some questions and, perhaps, listing some of those questions that have come from - from the Preserve Commission, I think that's the way to move it forward. I guess that summarizes.

MR. JOE PADILLA: Chair, if I could assist you. It's been a great discussion. The way you're agendized, you're really just - you're agendized to, obviously, hold this public hearing, take input, and provide feedback and input to the City Council for their work study session that's going to occur on September 26th of this year. You don't really need to make a motion to conclude - in some sort of motion fashion - some message to the Council. The minutes of this meeting, the positions of everybody that has made a statement, including the public feedback all go to the - can all go to the City Council and that would be the feedback that is necessary for them to consider. So if you're struggling with how to word a motion to try to get a consensus, you really don't need to make that motion to move it forward. The next item could simply be that the minutes of this meeting and all the comments, the individual comments, should then be sent forward to the City Council for their review and that would be the input that you're providing to the Council. Having said that, you do have a motion with a second.

You have a motion before you and you've got to do something with that. You can have the motion maker withdraw it and have the second withdraw that and then move forward in that fashion or you could vote on that. I'm just giving you options of what you could do as a next step.

CHAIR FROST: Thank you, Mr. City Attorney. Any other comments? Commissioners, Vice-Chair Milillo?

VICE-CHAIR MILILLO: Yes, Mr. Chairman. My intent is really - it's not to say we approve, that the Commission approves of the Desert EDGE in its entirety. I'm trying to take this one step at a time. Sending some sort of a message to the City Council - and it doesn't have to be a motion - that the Preserve Commission finds that this is an appropriate use on the site and that it is consistent with the purpose and the management objectives of the Preserve Ordinance. That's my main intent with this. If we can do it without a motion to that effect and do it, instead, via the minutes or a letter from the Chair, then I'll be happy to withdraw my motion.

CHAIR FROST: So does the second want to withdraw as well?

COMMISSIONER ALPERT: I withdraw my second.

CHAIR FROST: Then let me, if I may, offer a suggestion, and that suggestion is that we send a letter to the Mayor and City Council telling them of our deliberations and our citizen input and share the concerns that this Commission was not ready to move forward with a direct recommendation, other than the fact that in its intent and purposes, we like the project. Secondly, that we have concerns on a variety of issues, specifically food and beverage sales, specifically alcohol sales, specifically with the number of events per year, specifically with the

nighttime projected use, specifically with precedent that might be set in the future, specifically with the use of Preserve tax in front of the proposed endowment program, and, finally, with the question of the ordinance and how this project meets the ordinance. Commissioner McKeighan?

COMMISSIONER MCKEIGHAN: I can get behind that.

CHAIR FROST: Commissioner Englehorn?

COMMISSIONER ENGLEHORN: Mr. Chairman, do you want a consensus?

CHAIR FROST: Yes, I would like a consensus.

COMMISSIONER ENGLEHORN: Thank you.

CHAIR FROST: All in favor of the Chair moving forward with a letter to the Mayor and City Council specifically suggesting those items that I just read off and sharing our concerns and interests with the City Council signify by saying aye.

ALL COMMISSIONERS: Aye.

CHAIR FROST: Opposed, nay. None. Thank you.

- 8. HEAT IMPACT ON DOGS – Item Tabled**
- 9. TRAILHEAD DESIGN AND IMPROVEMENT STATUS – Item Tabled**
- 10. SPECIAL EVENT REQUEST – Item Tabled**
- 11. STAFF REPORTS – Item Tabled**
- 12. COMMISSIONER COMMENTS – Item Tabled**
- 13. AGENDA ITEMS FOR FUTURE MEETINGS – Item Tabled**
- 14. ADJOURNMENT**

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 7:18 p.m.

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